BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF ULTRA RESOURCES, INC. FOR AN ORDER AUTHORIZING THE FLARING OF GAS IN **EXCESS** THE OF **AMOUNTS** ALLOWED UNDER UTAH ADMIN. CODE RULE R649-3-20(1.1) FROM TWELVE (12) THREE RIVERS AREA WELLS LOCATED IN SECTIONS 32 AND 36 OF TOWNSHIP 7 SOUTH, RANGE 20 EAST, SLM, AND SECTIONS 3, 8, AND 16 OF TOWNSHIP 8 SOUTH, RANGE 20 EAST, SLM, UINTAH COUNTY, UTAH

NOTICE OF HEARING

Docket No. 2014-002 Cause No. 142-10

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on **WEDNESDAY**, **JANUARY 22**, **2014**, **at 9:00 AM**, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq. and as provided for in Utah Code Ann. § 40-6-1 et seq. and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the hearing will be for the Board to receive testimony and evidence regarding a Request for Agency Action that the Board enter an Order:

1. Authorizing Ultra Resources, Inc. ("Ultra"), successor operator to Axia Energy, LLC, to flare associated produced gas in amounts in excess of that currently allowed under Utah Admin. Code Rule R649-3-20(1.1) for each of the following oil wells located in the Three Rivers field in Uintah County, Utah:

<u>Well</u>	Surface <u>Location</u>	Bottom Hole <u>Location</u>	MCF/Month to be flared
Three Rivers #16-42-820	SE ¹ / ₄ NE ¹ / ₄ Section 16, T8S/R20E	SE1/4NE1/4 Section 16, T8S/R20E	5000
Three Rivers #16-43-820	NE ¹ / ₄ SE ¹ / ₄ Section 16, T8S/R20E	NE ¹ / ₄ SE ¹ / ₄ Section 16, T8S/R20E	3000
Three Rivers #32-15-720	SW ¹ / ₄ SW ¹ / ₄ Section 32, T7S/R20E	SW1/4SW1/4 Section 32, T7S/R20E	5000
Three Rivers Fed #3-32-820	SE¼NW¼ Section 3, T8S/R20E	SE¼NW¼ Section 3, T8S/R20E	2500
Three Rivers Fed #8-53-820	SE¼NE¼ Section 8, T8S/R20E	SE¼NE¼ Section 8, T8S/R20E	3000
Three Rivers #16-21-820	NE¼NW¼ Section 16, T8S/R20E	NE ¹ / ₄ NW ¹ / ₄ Section 16, T8S/R20E	2200
Three Rivers #16-22-820	NE ¹ / ₄ NW ¹ / ₄ Section 16, T8S/R20E	SE¼NW¼ Section 16, T8S/R20E	2500
Three Rivers #16-23-820	SE¼SW¼ Section 16, T8S/R20E	NE ¹ / ₄ SW ¹ / ₄ Section 16, T8S/R20E	9000
Three Rivers #16-24-820	SE¼SW¼ Section 16, T8S/R20E	SE¼SW¼ Section 16, T8S/R20E	6000
Three Rivers #36-31-720	NE¼NW¼ Section 36, T7S/R20E	NE ¹ / ₄ NW ¹ / ₄ Section 36, T7S/R20E	3200
Three Rivers #5-31-820	SW ¹ / ₄ SE ¹ / ₄ Section 32, T7S/R20E	NW ¹ / ₄ NE ¹ / ₄ Section 5, T8S/R20E	4500
Three Rivers #32-32-720	SW ¹ / ₄ NE ¹ / ₄ Section 32, T7S/R20E	SW ¹ / ₄ NE ¹ / ₄ Section 32, T7S/R20E	3000

(hereinafter referred to as "Subject Wells"). Ultra requests that flaring be allowed until pipeline construction to the Subject Wells is completed or April 1, 2014, whichever occurs first; provided, however, that if pipeline completion does not occur by April 1, 2014, and Ultra provides prior written notification thereof to the Utah Division of Oil, Gas and Mining (the "Division"), the Division will have the administrative authority to extend such flaring for an

additional one month period. If, at the end of such extended period, pipeline construction is still not complete, Ultra will petition the Board for an additional extension upon good cause shown; and

2. Providing for such other and further relief as may be just and equitable under the circumstances.

Objections to the Request for Agency Action must be filed with the Secretary of the Board at the address listed below no later than the 10th day of the month, or two weeks before the scheduled hearing, whichever is earlier. A party must file a timely written objection or other response in order to participate as a party at the Board hearing. Failure to participate can result in a default judgment.

Natural persons may appear and represent themselves before the Board. All other representation by parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 30th day of December, 2013.

STATE OF UTAH BOARD OF OIL, GAS AND MINING Ruland J. Gill, Jr., Chairman

/s/ Julie Ann Carte **Board Secretary**

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5277

CERTIFICATE OF PUBLISHED NOTICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2014-002 Cause No. 142-10 to be PUBLISHED in the following newspapers on the following days:

January 5, 2014:

<u>The Salt Lake Tribune</u> and <u>Deseret Morning News</u>, newspapers of general circulation in Salt Lake City and County.

January 7, 2014:

<u>Uintah Basin Standard</u>, a newspaper of general circulation in Duchesne and Uintah Counties.

December 31, 2014:

<u>Vernal Express</u>, a newspaper of general circulation in Dagget and Uintah Counties.

Julie Ann Cartar

CERTIFICATE OF MAILING

I hereby certify that on this 30th day of December, 2013, I caused a true and correct copy of the foregoing **NOTICE OF HEARING**, for Docket No. 2014-002, Cause No. 142-10, to be served via Email or U.S. Mail, properly addressed with postage prepaid, upon each of the following:

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